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memorandum

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To: **Harold Lucas, Executive Director**
Newark Housing Authority

From: **MaryAnn Russ, Principal Associate**
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Subject: **Suggestions on Implementing the Mobility Opportunity Program**

The first step in implementing the Mobility Opportunity Program that the Newark Housing Authority agreed to undertake as a condition of having its tax credits released from the Fair Share Housing Center's suit against the New Jersey Housing Mortgage Finance Agency begins with the identification of "Opportunity Areas". By definition, Opportunity Areas are locations that are not racially, ethnically or economically impacted. From a practical standpoint, it is also necessary to focus on areas that have significant levels of rental housing that are either affordable or that can be made affordable if HUD approves increased payment standards (and budgets).

1. Mapping Opportunity Areas

a. The first step is to identify what constitutes an Opportunity Area. Based on research I have done into various civil rights lawsuits in which HUD was involved, I suggest the following definition:

   An Opportunity Area is a census tract in which minority and low income concentration is no more than ten percent greater than the SMSA-wide percentage of minorities and low income families. An example is presented below to help illuminate this method:

   If the average concentration of, for example, African American families in the Newark SMSA were forty percent, and the average low income concentration (families with incomes below the poverty level) were thirty percent, any census tract that had a concentration of African American families no greater than fifty percent (ten percent above the SMSA-wide average) **and** a low income concentration no greater than forty percent (ten percent above the SMSA-wide average) will be an Opportunity Area. **This is only an example. We have not yet determined what the average minority and low income concentrations are for the Newark SMSA.**

b. If we agree that this is a good definition of an Opportunity Area, the next step will be to map the Newark SMSA census tracts, using 2000 census data on family race, ethnicity and income.

c. Once we have mapped the census tracts that qualify in terms of minority and income concentrations, we will overlay the census tracts with information about numbers, percentages, and prices of rental housing. An area that does not have any significant amount of rental housing (as is likely in the very rural areas of the SMSA) is an infeasible area for mobility moves.

d. The Opportunity Areas that contain significant amounts of rental housing that is affordable within current payment standards do not require an application to HUD for increased rents and modification of budget authority. These areas can be the earliest targets for mobility moves.

e. Opportunity Areas that contain rental housing that is not affordable within current payment standards must be investigated further. If the housing itself is consistent with the size, type and quality of housing currently occupied by program participants, or if the size, type or quality is better, but not of a luxury nature, NHA will appeal to HUD for permission to use exception rents in those areas. Depending on the status of NHA's budget, it may also need to apply to HUD for an increase in budget authority (described below).

f. Finally, the Opportunity Areas that contain affordable rental housing will be mapped against major transportation routes. Those areas that are relatively close to regularly operating bus and commuter rail lines are the most practical for families that do not possess reliable automobiles.

Once the mapping and SMSA-wide data collection is complete, we will need some time to analyze the results before beginning the next phases, described below.

2. Contact PHAs with Section 8 programs in Opportunity Areas

The focus of this activity is to attempt to enlist the cooperation of other PHAs that operate Section 8 programs in Opportunity Areas. This cooperation is essential if the PHAs employ payment standards that are lower than NHA's or if exception rents are needed to make the areas affordable. These PHAs cannot be compelled to cooperate, but they cannot refuse assistance to any families porting into the Opportunity Areas who can find housing within their payment standards.

If it becomes necessary to apply to HUD for increased budget authority, it is most practical to submit one application that embraces all the exception rent areas (and PHAs) that have census tracts identified as non-impacted but who need increased budget authority to avoid losing units when they raise their payment standards.

It is to be expected that some PHAs may agree to raise their payment standards contingent upon HUD's approval of increased budget authority.

3. Prepare Application to HUD for Exception Rents and (if needed) Increased Budget Authority

When step two above has been completed, NHA will have an accurate idea of where it will be seeking exception rents in accordance with 24 CFR § 982.503 (2) or (3). Depending on the state of the budgets of the participating PHAs (NHA and any other PHAs with Opportunity Areas that agree to participate), it will also be necessary to apply to HUD for additional budget authority in accordance with 24 CFR § 982.102 (g), which explicitly notes "Deconcentration of poverty and expanding housing opportunities" as the first justification for approval of such a request.

4. Prepare Background Information on Opportunity Areas

While awaiting HUD approval for exception rents and, if needed, additional budget authority, NHA can request information from school districts, the state bureau of employment security, transportation authorities and other providers of services mobility families might need. When key service providers have been identified, NHA can invite them to a meeting to discuss the mobility opportunity program and provide suggestions to improve its success. This might be the only meeting of the "Advisory Council", and, from that point on, the agencies will be asked to keep a contact person at NHA aware of changes in service areas, terms, times and other key factors families will need to know about.

The goal of this effort is to put together, in one packet, information families will need about each Opportunity Area, so they can choose to focus their efforts on areas that have the schools, transportation, employment opportunities or services they need and are looking for.

In areas where other PHAs are operating programs most or all of this information may be available through the PHA. It is possible, however, that some of the mobility areas may have little or no PHA activity because the rents are currently unaffordable.

5. Landlord Recruitment

For Opportunity Areas whose feasibility does not depend on exception rents or increased budget authority, landlord recruitment can begin early. For the areas that need exception rents and/or increased budget authority, it is impractical to begin landlord recruitment until HUD approval is received. One activity that can be begun is to obtain landlord lists from the cooperating PHAs and prepare a mailer describing the goals and operation of the Mobility Opportunity Program.

In all contact with landlords it is essential to mention rent reasonableness requirements. NHA does not want to give the impression that the Mobility Opportunity Program is simply a way to boost rents. Rather, the mailer will make the point that NHA is seeking new units and new areas for participation and that rent reasonableness standards will still apply.

Goals for landlord recruitment cannot be established until the census data on rental units is captured, HUD grants any exception rents and budget increases requested, and NHA sees what landlord information is provided by cooperating PHAs.

6. Draft Notice to Section 8 Participants

While the information packages for participants are being prepared and landlord recruitment has begun, the notice to current Section 8 participants can be drafted. This does not need to be a long and complicated document – rather it should be a simple but accurate description of the Mobility Opportunity Program, describing what its goals are and providing the times and places that the monthly information sessions will be held. The mailing is not designed to be a complete program description, that will be provided at the information session. Instead, the mailing should pique the interest of families who might be considering moves anyway as well as those who have a specific goal in mind (a certain type of school for their children, a specific employment opportunity).

7. Design the Monthly Information Meeting Agenda and Design

The contents and format of the monthly information meetings are critical to the success of the Mobility Opportunity Program. The meetings will be carefully designed to present the program carefully and accurately, but also with enthusiasm. If the presenter is merely going through the motions, interest is likely

to be chilled. Whoever is going to have the responsibility for conducting these sessions must be a good communicator and a person who believes in the potential for success of this program.

People who attend an information session will be given an evaluation form to determine both what they think about the program (in general and for their family) and how well the information was presented. Their responses can then be compared to the actual mobility leasing rate.

8. Develop Sample Profile of Likely Mobility Candidates and Tracking System for Participants

It is not difficult to profile the families most likely to take advantage of the Mobility Opportunity Program – there is plenty of data from earlier programs to let us know that higher income families, those with at least one adult working full-time, families with older children (rather than infants or pre-schoolers) and those who have more years of participation in the Section 8 program are most likely to take advantage of the program.

We can define these characteristics more tightly, using factors that are tracked by the MTCS system, and we can get a sense of the size of this group within the universe of current participants. (New voucher holders will be able to participate in the Mobility Opportunity Program but, based on experience in other programs, are significantly less likely to do so.) When we know how many current participants fit the profile for mobility, we can establish goals for the program.

It is most important is to track the demographic characteristics of those who come to the information sessions and those who actually lease in Opportunity Areas. Monitoring this information regularly and carefully will make it possible to adjust program design features to reach a wider group of families.